

Business Strengths of Dassault Systèmes

Dassault Systèmes believes that its leadership of the global PLM market reflects the fact that it has developed the largest 3D PLM software applications portfolio in the world with leadership positions in 3D design, simulation, digital manufacturing and production and business process management. With the addition of information intelligence, social collaboration and realistic 3D virtual experiences capabilities, the Company is positioned to work with companies from ideation to consumer experience and across departments from research and development, engineering, testing, manufacturing, governance to marketing and sales.

Dassault Systèmes software applications are focused on helping customers address many of their most critical product issues:

- innovation to design new and rewarding experiences for their end-customers;
- time-saving for the launching cycle of new products;
- manufacturing cost reduction;
- improvement of the product quality and compliance;
- time-to-market;
- market globalization (design/manufacture anywhere);
- supply chain collaboration;
- regulatory compliance;
- IP protection;
- manufacturing efficiency.

Dassault Systèmes maintains a long-term focus, well supported by its financial model with a high level of recurring software revenue.

One of the key reasons for the Company's market share leadership over the last fifteen years is its focus on a long-term vision which is characterized by investing in people and its long-term financial model. The Company has a diverse, highly-educated employee base of over 13,000 employees representing 116 nationalities. The Company's long-standing financial model, with a high level of recurring software revenue (accounting for 73% of the Company's total non-IFRS software revenue in 2014), has enabled the Company to maintain as well as increase investments in critical resources in R&D and customer support even during challenging macroeconomic environments.

Dassault Systèmes has a substantial commitment to technological innovation which has enabled it to define and create new markets, such as 3D Design, Digital Mock-Up, Product Lifecycle Management and 3DEXPERIENCE. It maintains an active dialogue with customers and users in product development and an open development platform to broaden product offerings for customers.

A key component to advancing the Company's technology and enabling it to define and create new markets is the close relationship it has with its customers, including partnerships with customers who are global leaders in their respective industries, and the input the Company solicits from the day-to-day users. The Company works closely with customers, involving them in many phases of product development. Through these close, long-term working relationships, the Company develops a good understanding of its customers and their most important business values. This level of knowledge enables the Group to develop software solutions more closely attuned to the customers' requirements, highly suited to their industries, and designed to maximize user productivity and experience.

Dassault Systèmes has developed a clear identity and value to its users through its market-proven brand strategy. Commencing in 2012 the Company began to launch Industry Solution Experiences that focus on key processes and bring together the appropriate applications from its market-leading brand applications portfolio.

The Company's brand strategy focuses on providing significant value to end-users with the objective of each brand being a leader within its respective markets. In support of its "Social Industry Experiences" strategy, the Company packages its applications and user roles in Industry Processes chosen because of their business relevance in each of the 12 industries the Company targets.

Dassault Systèmes has a resilient and dynamic ecosystem of partners, including for business sales, service with system integrators, software development, educational and research and technology.

Since inception the Company has worked in close partnership with other professionals in software development and technology, in sales and marketing, in services and in education and research. For marketing and sales, the Company operates through both a direct sales force and indirectly through value-added resellers, with total sales well balanced between direct and indirect sales channels. It continues to selectively expand and to extend its sales radius, deepen its industry expertise and relationships, as well as domain or discipline knowledge of its three sales channels. Similarly, the Company is also expanding its relationships with system integrators with strong industry expertise and regional presence for both sales and service engagements.

Moreover, the Group is engaging with its ecosystem, working with more than 400 software development partners building applications complementing its software applications as well as working with key technology partners.

The Company has worked closely for years with academic and research organizations around the world to prepare the STEM employees of tomorrow, collaborate in accelerating the creation of new software dedicated to help the digital world improve the real world and to use 3D to enable an improved learning environment for students throughout the world.